

Senate File 324 - Introduced

SENATE FILE _____
BY DANIELSON

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act declaring certain city franchise fees legal, providing a
2 basis for calculation and use of city franchise fees, and
3 providing an effective date.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2480SS 82
6 eg/gg/14

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1 1 Section 1. Section 364.2, subsection 4, paragraph f, Code
1 2 2007, is amended to read as follows:
1 3 f. A franchise fee assessed by a city may be based upon a
1 4 percentage of gross revenues generated from sales of the
1 5 franchisee within the city not to exceed five percent, and the
1 6 fees collected may be credited to the city general fund and
1 7 used for city general fund purposes. If a city franchise fee
1 8 is assessed to customers of a franchise, the fee shall not be
1 9 assessed to the city as a customer.

1 10 Sec. 2. CERTAIN FRANCHISE FEES DECLARED LEGAL. To the
1 11 extent that any amount of franchise fees assessed by and paid
1 12 to a city prior to the effective date of this Act, pursuant to
1 13 a franchise agreement between a city and any person to erect,
1 14 maintain, and operate plants and systems for electric light
1 15 and power, heating, telegraph, cable television, district
1 16 telegraph and alarm, motor bus, trolley bus, street railway or
1 17 other public transit, waterworks, or gasworks, exceeds the
1 18 city's reasonable costs of inspecting, supervising, and
1 19 otherwise regulating the franchise, such amount is deemed and
1 20 declared to be authorized and legally assessed by and paid to
1 21 the city.

1 22 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
1 23 immediate importance, takes effect upon enactment.

1 24 EXPLANATION

1 25 This bill provides that the amount of a city franchise fee
1 26 may be based upon a percentage of gross revenues generated
1 27 from sales of the franchisee within the city not to exceed 5
1 28 percent, and the fees collected may be credited to the city
1 29 general fund and used for city general fund purposes.

1 30 The bill declares that franchise fees assessed by and paid
1 31 to a city prior to the effective date of the bill, that may
1 32 exceed the city's reasonable costs of inspecting, supervising,
1 33 and otherwise regulating the franchise are authorized and
1 34 legal.

1 35 The bill takes effect upon enactment.

2 1 LSB 2480SS 82

2 2 eg:sc/gg/14